

## General Notices

### Notice of Disciplinary Committee of the New Zealand Society of Accountants

Notice is hereby given by the Disciplinary Committee of the New Zealand Society of Accountants that at a conjoint hearing held on the 29th day of May 1990, **Noel Owen Cave** of New Plymouth, appeared before the committee on charges that he had: been guilty of defaults discreditable to an accountant; conducted himself in such a manner as to render the exercise of the powers of the disciplinary committee expedient in the interest of the public and of the society; and been guilty of unprofessional conduct.

The charges arose from the member having abdicated his responsibility as company secretary of Taranaki Mortgage Investment Ltd. (TMI), by leaving the affairs of TMI to his partner Gary Baird with the result that Baird was able to exercise effective control of TMI: without any or any proper authority of its directors and/or shareholders, without disclosing or properly reporting to the directors or shareholders of TMI the activities of he and/or Baird in relation to TMI affairs and/or investments to or by TMI, and in disregard of the provisions of the Companies Act. As the secretary of TMI and a partner in the firm of accountants for TMI, he borrowed from TMI under the name of a syndicate, being a syndicate of which he was a member in circumstances when he: failed so to advise TMI (other than Baird) and/or its directors and/or its shareholders, failed to ensure any security for the said loans, failed to make disclosure of his personal interest, and failed to ensure any loan documentation in respect of the said loans. As a partner in his firm he failed properly to ensure that the firm's trust bank account was properly administered and/or maintained in any one or more of several respects: as to ledger sheets; it was frequently overdrawn, he failed to take effective corrective measures in respect to the operation and/or administration of the said trust account, and on numerous occasions month-end balances were overdrawn. As secretary of TMI and a partner in the firm of its accountants, he permitted or was a party to permitting clients' and non-clients' funds to be invested in TMI without, in many instances, written authority. In circumstances where he was secretary of TMI and a partner in his firm he borrowed from TMI: he failed to make disclosure to all or any interested parties, and failed to ensure that any of such parties took independent advice. He was a partner in his firm which operated a controlled finance company, being TMI, in breach of clauses 25.0 ii (a) and (b), 25.0 (iii), and 25.0 (v) of the code of ethics in one or more respects.

The member having pleaded guilty to the charges, the disciplinary committee found the charges proven. The disciplinary committee ordered that Noel Owen Cave be censured pursuant to section 24 (3) (d) of the New Zealand Society of Accountants Act 1958. Pursuant to section 24 (3) (e) of the same Act Noel Owen Cave was ordered to pay to the society the sum of \$5,415.00 plus G.S.T. in respect of costs and expenses of and incidental to the inquiry by the disciplinary committee and the investigation by the investigation committee.

The disciplinary committee ordered that its decision be published in *The Accountants' Journal* and the *New Zealand Gazette* with mention of the member's name and locality, and that the committee's decision be drawn to the attention of the editor of the daily newspaper published in New Plymouth.

At the same conjoint hearing held on the 29th day of May 1990, **Evan Charles Cottam** of New Plymouth, appeared before the committee on charges that: he had conducted himself in such a manner as to render the exercise of the powers of the disciplinary committee expedient in the interest

of the public and of the society and he had been guilty of unprofessional conduct.

The charges arose from the member, in circumstances where he was a partner in his firm, having borrowed from TMI: he failed to make any disclosure to all or any interested parties, and he failed to ensure that any of such parties took independent advice. He was a partner in his firm which operated a controlled finance company, being TMI, in breach of clauses 25.0 ii (a) and (b), 25.0 (iii), and 25.0 (v) of the code of ethics in one or more respects. As a partner in his firm of accountants being the accountants for TMI, he permitted or was a party to permitting clients' and non-clients' funds to be invested in TMI without, in many instances, written authority. As a partner in his firm, he failed properly to ensure that the firm's trust bank account was properly administered and/or maintained in any one or more of the following respects: as to ledger sheets; it was frequently overdrawn; he failed to take effective corrective measures in respect to the operation and/or administration of the said trust account, and on numerous occasions month-end balances were overdrawn.

The member having pleaded guilty to the charges, the disciplinary committee found the charges proven. The disciplinary committee ordered that Evan Charles Cottam be censured pursuant to section 24 (3) (d) of the New Zealand Society of Accountants Act 1958. Pursuant to section 24 (3) (e) of the same Act Evan Charles Cottam was ordered to pay to the society the sum of \$4,465.00 plus G.S.T. in respect of costs and expenses of and incidental to the inquiry by the disciplinary committee and the investigation by the investigation committee.

The disciplinary committee ordered that its decision be published in *The Accountants' Journal* and the *New Zealand Gazette* with mention of the member's name and locality, and that the committee's decision be drawn to the attention of the editor of the daily newspaper published in New Plymouth.

At the same conjoint hearing held on the 29th day of May 1990, **Ross Wee Kee Chee Fah** of New Plymouth, appeared before the committee on charges that: he had conducted himself in such a manner as to render the exercise of the powers of the disciplinary committee expedient in the interest of the public and of the society and he had been guilty of unprofessional conduct.

The charges arose from the member, in circumstances where he was a partner in his firm, having borrowed from TMI: he failed to make any disclosure to all or any interested parties, and he failed to ensure that any of such parties took independent advice. He was a partner in his firm which operated a controlled finance company, being TMI, in breach of clauses 25.0 ii (a) and (b), 25.0 (iii), and 25.0 (v) of the code of ethics in one or more respects. As a partner in his firm of accountants, being the accountants for TMI, he permitted or was a party to permitting clients' and non-clients' funds to be invested in TMI without, in many instances, written authority. As a partner in his firm he failed properly to ensure that the firm's trust bank account was properly administered and/or maintained in any one or more of the following respects: as to ledger sheets; it was frequently overdrawn; he failed to take effective corrective measures in respect to the operation and/or administration of the said trust account, and on numerous occasions month-end balances were overdrawn.

The member having pleaded guilty to the charges, the disciplinary committee found the charges proven. The disciplinary committee ordered that Ross Wee Kee Chee Fah be censured pursuant to section 24 (3) (d) of the New Zealand Society of Accountants Act 1958. Pursuant to section 24 (3) (e) of the same Act Ross Wee Kee Chee Fah was ordered to pay to the society the sum of \$4,465.00 plus G.S.T.